

## **On hold: housing privatization project put on delay**

By Capt. Phillip Donovan

15th Civil Engineer Squadron Resource Flight commander

Hickam's housing privatization project has been delayed until a protest can be resolved. The project was previously expected to be awarded in December but several delays occurred due to legal and financial issues that needed to be addressed.

The resolution of the current delay is pending a decision by the Court of Federal Claims that is anticipated to be made in July.

It's unknown at this time how the Federal court will decide the case, according to base legal officials. If the court decides in favor of the Air Force, a final project closing may follow shortly thereafter. However, a court decision in favor of the protestor could result in reconsideration of each offeror's proposal.

Actus Lend Lease LLC was selected as the private developer to renovate, build, and manage 1,356 of Hickam's 2,658 homes in a 50-year lease, according to Linda MacClendon, Hickam Housing Privatization Office chief. This is slightly over half the base housing inventory.

Initial construction costs will amount to approximately \$300 million, including replacing or conducting major renovation on 816 of the older and smaller homes, Ms. MacClendon said.

"We're obviously hoping a decision from the Court will be received quickly so we can begin construction efforts," she said. "Privatizing our homes is the fastest and most economical way for the Air Force to provide quality and affordable homes to our Air Force families."

Despite the delay, the desired outcome remains the same, according to Col. Ray Torres, 15th Airlift Wing commander.

"The 15th Airlift Wing's goal is to provide quality homes to our most important asset, people," Colonel Torres said. "This housing privatization effort will vastly improve the living quarters of our families once complete."

"This effort has been ongoing for more than three years, and we are in the final negotiations with the contractor, legal and financial organizations to bring this fifty-year project to closure," he said.

But the delay has not come without cost, according to Colonel Torres.

"One effect of the delay is reduced funding for our current homes," he said. The Air Force projected us closing the privatization deal in December 2003.

"Since that deal had the contractor providing maintenance to roughly half of our homes from December through the rest of the fiscal year, Sept. 30, we are nearly out of funds."

"PACAF and Air Force are aware of this shortfall and are aggressively working the issues. For Team Hickam this means empty shelves at the self-help store and delays in housing repairs. We appreciate your understanding and courtesy as we work to improve Hickam," he said.

For more information about the privatization project, visit the base Web site at [www2.hickam.af.mil](http://www2.hickam.af.mil) and click on "Housing Privatization."